DOCUMENT RESUME

ED 478 293 HE 036 002

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TITLE	Enrollment Strategies To Serve Tomorrow's Students.
INSTITUTION	Association of Governing Boards of Universities and Colleges, Washington, DC.
PUB DATE	2003-00-00
NOTE	18p.; Published three times per year. Theme issue. For issue number 20 (Fall 2002), see ED 467 769.
AVAILABLE FROM	Association of Governing Boards of Universities and Colleges, One Dupont Circle, Suite 400, Washington, DC 20036 ($10 per issue, AGB members only). Tel: 202-296-8400; Fax: 202-223-7053; Web site: http://www.agb.org.
PUB TYPE	Collected Works - Serials (022) -- Reports - Descriptive (141)
JOURNAL CIT	Priorities; n21 Spr 2003
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS
DESCRIPTORS	Colleges; Diversity (Student); *Enrollment Management; Enrollment Trends; Futures (of Society); *Higher Education; *Strategic Planning; Universities

ABSTRACT

This issue explores enrollment strategies colleges and universities will need to serve students in the future. Resources are scarce, and the expectations of the public are changing. Students in the near future will be more numerous, more diverse, and possibly less prepared than any preceding generation. Institutions of higher education will need to accommodate accelerating change. Leaders of higher education institutions will prepare for new enrollment if they: (1) exert the full leadership authority vested in the board and chief executive; (2) anticipate changing market forces; (3) revisit the institution's mission; and (4) align the institution behind its goals. Along with changing enrollment, institutions will need to increase student persistence. It will be necessary both to find and to keep underserved students. Colleges and universities that are successful in the future will alter their capacity to meet demand, invest in distance education and developmental and remedial programs, form strategic partnerships, and develop new funding strategies. Several program descriptions in sidebars describe adjustments institutions are making to meet new enrollment needs. (SLD)

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ED 478 293

Enrollment Strategies to Serve Tomorrow's Students

Thomas Williams

Number 21, Spring 2003
Association of Governing Boards

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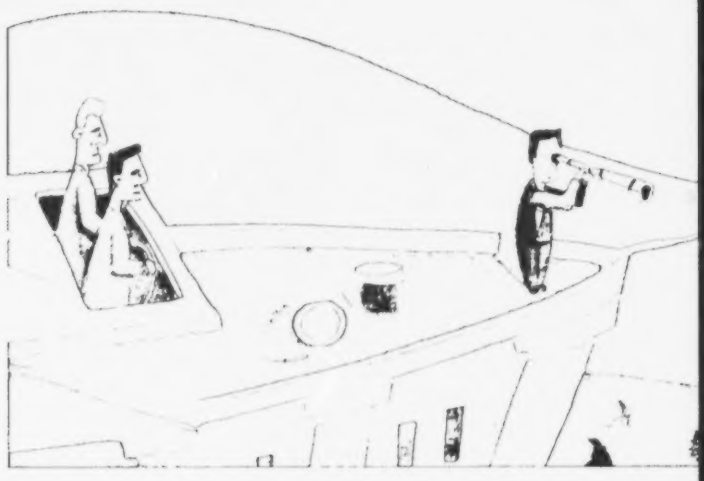
Number 21, Spring 2003

AGB Priorities

A membership service of the Association of Governing Boards to help trustees and chief executives identify and address strategic policy issues.

Enrollment Strategies to Serve Tomorrow's Students



BY THOMAS WILLIAMS

TODAY'S COLLEGES AND universities operate in an increasingly turbulent environment. Resources are scarce, the public's expectations of higher education are changing, and public policy at both the state and national levels suffers from a short-term orientation. Higher education leaders face stiffening competition, a continuing shift to a knowledge-based economy, increased globalization, and emerging technologies.

In the coming decade, attracting the right mix of students will mean reacting to moving targets.

Most important, the coming decade promises a new wave of students at the gates of our nation's campuses—one that is more numerous, more diverse, and quite possibly less prepared than any preceding generation.

In response, all institutions of higher learning will be pressured to become nimble enough to accommodate accelerating change. Governing boards, like the navigator on a long sea voyage, have differing responsibilities at various times during an institution's journey, always working in tandem with the ship's captain—the president—and closely with the all-important crew of administrators. When seas are calm and the direction is clear, the board ensures that the institution maintains a steady course. But when conditions change and the sea grows rough, the board may be called upon to provide more active guidance. The coming generation of students will present many institutions with a slew of critical passages to navigate.

Because the current forecast for much of higher education has many uncertainties, each institution's navigators will need to take an increasingly far-sighted approach, assess the threats and opportunities, and chart a course that steers the institution to a safe-harbor destination that will protect its long-term survival.

Thomas Williams is former president and chief executive officer of the Noel-Levitz consulting firm, with main offices in Iowa City, Iowa, and Littleton, Colo. He currently serves as executive consultant.

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Strategic enrollment management requires that the board, working through the president and administrative team, probe to determine where an institution's strengths and goals will intersect with broader societal trends, needs, and goals.

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The Changing Student Pool. Across the nation, emerging realities that will require new strategies among college and university leaders include *changing demographics*. The numbers are compelling:

- Today's sixth-grade class—the high school class of 2009 at 3.1 million strong—is projected to be the largest class to graduate from high school in U.S. history, according to the U.S. Department of Education. In the decade that began in 1999, the nation's high school graduating population is expected to grow by more than 10 percent.
- Students of color—traditionally a segment that underenrolls in college—will represent 80 percent of the increase in college-age students between 1995 and 2015, according to the Educational Testing Service.
- Among minority students, 45 percent will come from families with the lowest estimated family contribution, according to the Advisory Committee on Student Financial Assistance in its 2001 report called "Access Denied."

The increasingly numerous and financially needy students who make up this new demographic wave also will feel increased pressure to persist to earn a college degree. Consider these statistics:

- Individuals who hold at least a bachelor's degree earn a median household income double that of high school graduates, according to the U.S. Census Bureau.
- The unemployment rate for college graduates in 2001 stood at 2.3 percent, according to the Bureau of Labor Statistics, while the figure for those with only a high school diploma was 4.2 percent. Fully 60 percent of the new jobs that will be created between today and 2010 will require at least some postsecondary training.
- If society could narrow the gap in college attendance between high-income and low-income earners, Americans would add nearly $250 billion to the gross domestic product and $80 billion annually in new tax revenues, according to researchers Anthony P. Carnevale and Richard A. Fry.

To tackle such challenges in today's environment, leaders at colleges and universities will have to face up to a bleak economic landscape for most of higher education. Consider one more set of statistical trends:

- Twenty-five states currently face budget cuts or rescissions in their higher education budgets, and that number is likely to grow, according to the National Association of State Universities and Land Grant Colleges, which also reports that at least 17 states raised tuition by more than 10 percent for the 2002-03 school year.
- College tuition has increased 63.4 percent since 1992, according to the College Board. By comparison, health care costs have risen by only 43.5 percent.
- The relationship between grants and loans as a percentage of total aid has flipped in the past eight years. The College Board says almost 60 percent of student aid today is through loans, versus just over 40 percent in 1994.
- The proportion of state grants awarded according to need has steadily fallen, according to the National Association of State Scholarship and Grant Programs.
- In the coming decade, an estimated 4.4 million college-qualified high school graduates will find a four-year college unaffordable, according to "Empty Promises," the 2002 report by the Advisory Committee on Student Financial Assistance.

Will the fastest growing segments of this

Illustrations by Russ Wilms

Questions for Boards

- What will be the impact of the next generation of students on our institution?
- Do our current mission and program offerings respond to the changing demographics and reflect the known needs and interests of our primary market?
- Are we priced and positioned properly to serve the next generation of students?
- Do we have a longer term (three to five years) strategic-enrollment plan in place that includes well-understood and realistic enrollment goals?
- Do we know the profile of the student who persists to graduation? Are we attracting students who not only succeed but excel?

population—students who traditionally are underprepared and who face the greatest financial need—have the opportunity to earn the increasingly vital tool of a college degree? Will your institution have prepared itself to accommodate this wave of change?

Strategic Enrollment. Traditional enrollment management on a campus refers to the relatively straightforward task of setting and meeting the goal of assembling a student body that comprises a predetermined and advantageous mix of students in terms of quality, number, and diversity in all its forms. For decades, enrollment management was a rather static process based on administrators' past knowledge of how best to fulfill the institution's longstanding mission.

Today, however, more and more higher education leaders have grasped the need for a dynamic approach to enrollment management. This means one that responds to rapid changes in society and continually updates strategies—and sometimes even alters the institution's mission. In nuts-and-bolts terms, enrollment management means coordinating campuswide efforts in such areas as marketing, student recruitment and retention, tuition pricing, financial aid, academic and career counseling, and curriculum reform. On the modern landscape, a college or university out to attract the students of tomorrow must react to moving targets.

Take *globalization*. Our world is shrinking at a remarkable pace. Today, we watch war waged in real time. A new virus, SARS, can spread from China to 19 countries and infect more than 2,400 people in just 30 days. Pulitzer Prize-winning author and Harvard professor Edward Wilson, in his provocative book *The Future of Life*, presents an especially cogent summary of the global challenges we and our children will face in the 21st century. He cites the continued exponential growth in the global population, the alarming exhaustion of our nonrenewable resources, and remarkable advances in science and medicine that are likely to eliminate most diseases and lengthen life spans.

Clearly the student body of tomorrow will include an increasing proportion of students who either come from other parts of the globe or who at least view the world in more global terms than do today's.

Then there are the issues surrounding *surging technology*. Students who graduate from college today will work their entire careers in this increasingly complex, technologically advanced world where the shelf-life of their knowledge will grow shorter and shorter and where career advancement and sustained success will require

Case Study

Loyola University Chicago Minds Its Mission

At Loyola University Chicago, administrators are working to ensure a positive future by being attentive to the demographic environment, adapting recruitment and retention strategies accordingly, and remaining committed to the student-centered learning that is at the heart of the mission set by its board.

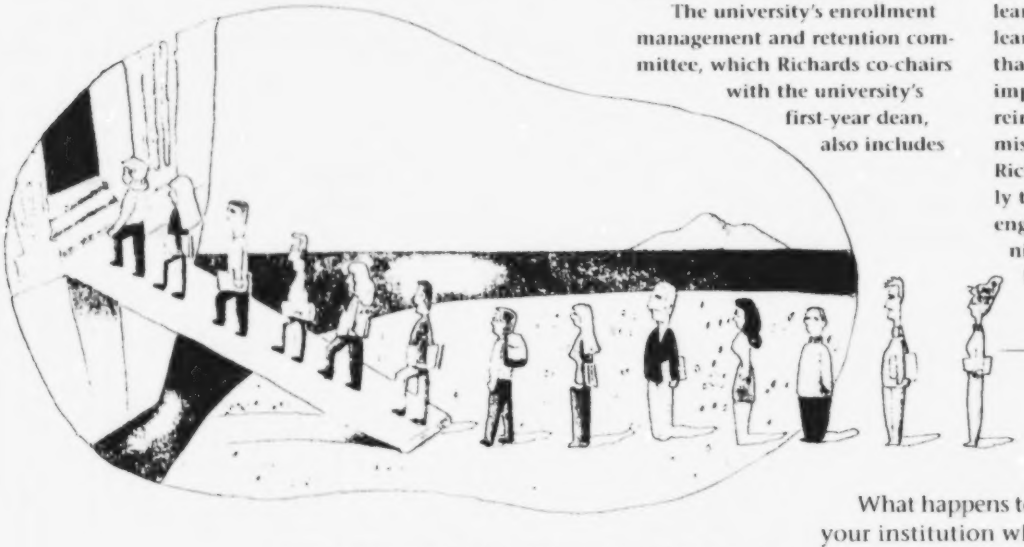
Loyola has studied enrollment trends for the coming decade and decided to move beyond its traditional markets, which had been primarily in urban Chicago and the Midwest. The university now has recruiters working on both coasts and is increasing its presence in the Southwest, with a plan to build long-term relationships in all of those areas. With increasing numbers of college-bound students of Latino heritage, Loyola is printing in Spanish some of its recruitment pieces aimed at students and parents. "We're also making sure the digital divide doesn't leave behind those who don't have access to the Internet," says Terry Richards, associate vice president for enrollment management.

Loyola's retention initiatives reflect its awareness of a changing student body. Even with stable or rising admission standards, Richards notes, "every institution needs to recognize that each entering class is a diverse group, and students have different experiences prior to entering your institution. Each student learns differently." Among other retention measures, Loyola has implemented mid-semester faculty reporting on new students so that the institution can identify at-risk students earlier and connect them with academic support services.

The university's enrollment management and retention committee, which Richards co-chairs with the university's first-year dean, also includes faculty members, student-services personnel, and students. With advisory status to the senior administration, the group serves as a conduit for expressing student concerns. "It's a safe environment to discuss issues," Richards says, "with the focus on 'How can we better serve our students?'"

Like many institutions, Loyola is placing more emphasis on collecting student feedback and looking at outcomes. A short e-mail survey from the president's office is sent to all new students at the beginning of the year, while a second survey is administered at the end of each school year to first-year and final-year students. Both help identify students who may need extra attention, while gauging satisfaction and outcomes.

"More and more, the trend is to view students as part of the learning system, as engaged learners," says Richards, "and that [viewpoint] has a positive impact on retention." It also reinforces Loyola's traditional mission. "As a Jesuit institution," Richards says, "we believe strongly that people need to be active, engaged members of the community they're part of and reach beyond themselves."



a commitment to lifelong learning. The Internet will continue to change the face of education, and not just in the area of distance learning. New technologies will affect everything from research to breadth of course offerings to methods of communication to the very image of higher education and will create new instructional opportunities.

What happens to new-student enrollment at your institution when response rates to traditional direct-mail campaigns drop by 50 percent or more because high school students are using the Internet to search for colleges? How about if these kids evaluate your school strictly on the messages provided on your Web site—without even informing you of their interest? And what are the implications for your institution if MIT begins offering much of its curriculum on the

Web at bargain-basement prices?

That scenario brings us to the reality of *increased competition*. Your institution's chief competitors no longer reside just across town or across the state. Competition now comes in the form of corporate training, distance learning, weekend and evening programs, accelerated-degree programs, competency-based degree programs, and on-the-job learning. For-profit providers represent the fastest growing segment of the higher education industry. Consequently, traditional institutions will have to think creatively and broadly as they operate in an environment where the University of Phoenix, for example, has become the world's first higher education organization to surpass $1 billion in revenues. It did so by offering high-demand programs in population centers worldwide at convenient times and locations to career-minded working adults.

From your board's point of view, the quest for the proper response to this new state of affairs means active input from the academic affairs committee, the student affairs committee, and most important, the finance committee, which has central responsibility for planning, resource allocation, and budget-implementation strategy. Strategic enrollment management requires that the board, working through the president and administrative team, probe to determine where an institution's strengths and goals will intersect with broader societal trends, needs, and goals.

Leading to the Future. Leaders can make or break organizations by the way they manage change. They build trust and provide the focus, direction, and continuity necessary to maintain hope and perspective during challenging and rapidly changing times. Based on research and consulting experience, my firm has identified four conceptual keys to successful strategic leadership in times of change. Taken together, the following approaches can help ensure institutional effectiveness and vitality long into the future.

1. Exert the full leadership authority vested in the board and chief executive. Inherent in the shift to strategic leadership from routine management is a strong team orientation. At the highest level, where vision is defined and future directions set, the team includes the president or chancellor, his or her cabinet, and the board. These leaders

Best Practices for Improving Student Retention

Assess the quality of your institution's enrollment-management strategies by determining whether the following practices are true of your efforts to improve student retention:

1. There is a high degree of commitment on the part of senior administrators for maintaining high retention rates.

2. Faculty and staff understand that retention is a campuswide responsibility.

3. Data that illustrate persistence to graduation are collected and shared with the board regularly.

4. Staff members determine why students enroll *and* why they drop out.

5. An individual or office is charged with responsibility for coordinating retention efforts.

6. Student retention is a high-priority item on the agenda of a standing committee of the board.

7. The institution has a systematic approach for evaluating all programs and services.

8. The institution has developed programs and services specifically for first-year students.

9. The institution has special programs for honor students, student-athletes, academically underprepared students, and underrepresented students.

10. Academic support programs and services are available to all students.

11. Academic advising is recognized and rewarded.

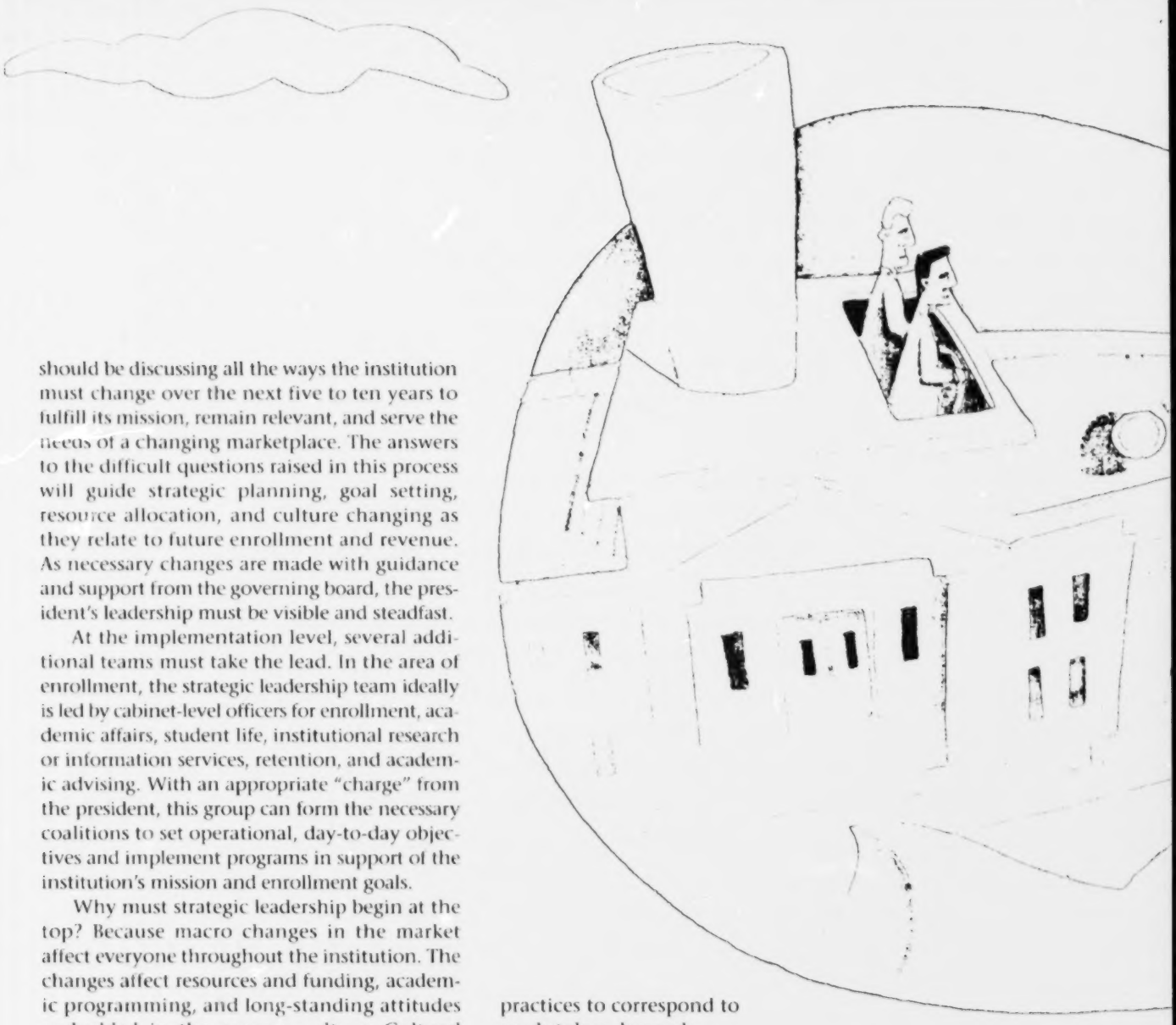
12. Academic advisers receive appropriate training at least annually.

13. Excellence in teaching is recognized and rewarded.

14. Customer-service training is regularly provided to all staff.

15. Service excellence is recognized and rewarded.

16. Institutional assessment data are shared regularly with the entire campus.



should be discussing all the ways the institution must change over the next five to ten years to fulfill its mission, remain relevant, and serve the needs of a changing marketplace. The answers to the difficult questions raised in this process will guide strategic planning, goal setting, resource allocation, and culture changing as they relate to future enrollment and revenue. As necessary changes are made with guidance and support from the governing board, the president's leadership must be visible and steadfast.

At the implementation level, several additional teams must take the lead. In the area of enrollment, the strategic leadership team ideally is led by cabinet-level officers for enrollment, academic affairs, student life, institutional research or information services, retention, and academic advising. With an appropriate "charge" from the president, this group can form the necessary coalitions to set operational, day-to-day objectives and implement programs in support of the institution's mission and enrollment goals.

Why must strategic leadership begin at the top? Because macro changes in the market affect everyone throughout the institution. The changes affect resources and funding, academic programming, and long-standing attitudes embedded in the campus culture. Cultural changes are among the most difficult to make, but they also are the most important because the ways faculty teach and the ways administrators and staff attend to student needs are fundamental to student success and satisfaction.

2. Anticipate changing market forces. Forecasting and reacting to changing market conditions means getting ahead of the curve, which requires a degree of agility and market sensitivity uncommon on most college and university campuses. What will your next class of students look like, what will they want to learn, and how will they want to learn? Part of the answer depends on which market segments your institution chooses to target. Campus leaders will need to adjust their recruitment priorities and practices to correspond to marketplace demands.

To begin defining these priorities, trustees can ask questions such as these: Where does our institution best fit in serving the needs of the next generation of college students? Which segments of tomorrow's marketplace are most likely to succeed, to graduate, and to go on to accomplish their life goals after our institutions have served them? How will these lifelong learners prefer to obtain information to support life's transitions? How will these needs change in the future—regionally, nationally, globally, and by student population?

As former British Prime Minister Margaret Thatcher once said, "I cannot manage the past. There are other people in my government who manage the present. It is my unique

responsibility as the leader to shine a spotlight on the future, and marshal the support of my countrymen to create that future." Every leader faces the constant challenge of choosing between the urgent and the important, of devoting too much time and attention to present realities when the future should be the focus. Attending to the needs of future learners and knowing which types of learners will succeed at your institution must become higher priorities for strategic leaders in view of the dramatic changes projected in the coming decade.

3. Revisit your mission. How long has it been since your board thoroughly evaluated the institution's mission statement in light of the students the institution serves and the programs and services it offers? The degree of institutional change needed in the next five to ten years to remain healthy will determine the degree to which the mission will need revision. Here's some guidance that can help your board evaluate and crystallize the institution's mission:

- Begin, at an institutionwide level, to understand strengths in relation to changing market needs. Which market segments will your institution be *best* at serving?
- Examine emerging demographics to help determine whether your institution *should* or will make the commitment to change in order to meet future market needs. Make the formal commitment by reviewing and revising your mission statement, making certain it states as highest priority the needs and goals of students.
- Involve internal groups (students, faculty, staff, and administration) as well as external groups (alumni, educational policymakers and policy-shapers, local and regional economic development officials, business leaders, and leaders of other postsecondary institutions and secondary schools) to help the board understand the expectations of these constituents and stakeholders.
- Decide what should be your institution's role within higher education, within the state and community, and within society.

4. Align the institution behind its goals. Ultimately, strategic leaders must achieve congruence in their institution's mission, values, and behavior so that the organization is capable of acting effectively in pursuit of its goals. Failure to achieve an aligned organization will stop any change process, no matter how strong the strategy or the plan.

Strategic plans, by definition, anticipate the future. The process must respect your institution's past and build on its strengths, but it should not be constrained by history. Your strategic plan should include a forecast of your environment five to ten years out. It should set enrollment goals for new and returning students—quantitative and qualitative by market segment—and should include retention and graduation rates. The plan also should describe the necessary financial and human resources

Case Study

Sweeping Changes from the Louisiana Board of Regents

Enrollment leadership often requires looking beyond the realm of the university. The Louisiana Board of Regents displayed such vision when it recently made sweeping changes to the state's higher education system.

"Louisiana's economic and social future is based on its educational future," says E. Joseph Savoie, the state commissioner of higher education. That theme propels the board's "Master Plan for Public Postsecondary Education: 2001." The plan, in Savoie's words, is about "access with success"—improving educational quality while increasing overall access to higher education.

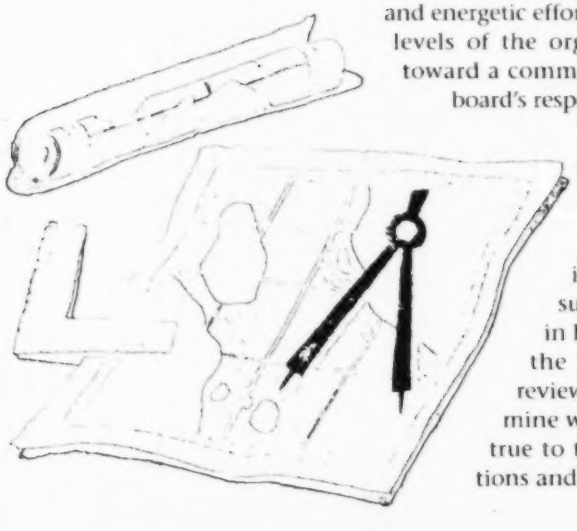
The goals of the plan, all scheduled to be reached in 2005, include a 2 percent increase in overall participation in public postsecondary education, a 5 percent increase in minority participation, and a 5 percent increase in first-to-second-year retention among first-time, full-time entering freshmen. Louisiana faces a 6 percent decline in its high school population by 2007, which makes reaching these goals that much tougher.

To accomplish its objectives, the board exerted leadership beyond its campuses. "The board of regents established the goal, scope, and mission," Savoie explains, but it also worked closely with the state legislature, governor, and the Louisiana Board of Elementary and Secondary Education to change the entire process of preparation, participation, and funding for higher education. "There was strong leadership in the governor's office and a close relationship with the state board of education," he adds.

Improving quality began by changing the admissions policies at the state's four-year universities. "Historically, most of our four-year

needed to achieve the desired enrollment state. In today's competitive, interconnected environment where the sheer volume of information overwhelms us all, strategic enrollment plans aimed at the next generation of students must incorporate hyper-customized, one-to-one marketing, and one-to-one student-success plans.

In any significant change initiative, success depends on the combined commitment and energetic efforts of many people at all levels of the organization, all aligned toward a common vision. But it is the board's responsibility, working with campus executives, to chart the organization's course.



Student Retention. As in business and industry, successful organizations in higher education will be the ones that routinely review their mission to determine where they must remain true to their history and traditions and where they must adapt to meet changing market conditions. On a more detailed and day-to-day level, perhaps the most cost-effective enrollment strategy for a dynamic institution is a focus on student retention.

Currently, fewer than 60 percent of students who start college in the United States graduate within six years, according to the Student Retention Data Exchange at the University of Oklahoma. Most of those who drop out do so in the first two years. This high rate of attrition is costly to the institution, to the student, and to society. When students leave an institution after just one year, tuition and auxiliary revenues for six to eight subsequent semesters are lost, and upper division resources are underutilized, draining institutional revenues.

The problem is traceable either to ineffectiveness in selecting students who fit the institution's profile for success or in understanding and meeting students' academic and nonacademic needs—or both. Colleges and universities that succeed in the changing market will be those that focus on graduating, rather than recruiting, each class of students.

First, the groundwork must be laid, beginning with a single-minded focus on the student

institutions were open-admissions campuses," Savoie says. Working with the elementary and high school community, the board established a required core curriculum for students hoping to enter the state's four-year universities.

At the same time, the board also created a new system of community and technical colleges. This system helps prepare other students for eventual entry into the four-year institutions or into the workplace. "We can keep up the quality of education at the four-year campuses, while still providing access through the two-year system," Savoie says. Further, students able to meet the four-year admissions requirements also qualify for the Tuition Opportunity Program for Students (TOPS), a merit-based scholarship that covers state tuition and fees.

The regents also implemented other initiatives to support this significant change: Teacher-education programs at the state's colleges of education were revamped to bolster prospective teachers' knowledge of their areas of specialization. The regents also funded statewide administration of various assessments, including ACT's eighth-grade and tenth-grade college-readiness and career-planning tool. To help institutions prepare for changes in enrollment dynamics, the regents also provided campuses with individualized training and guidance in enrollment management and student recruitment, retention, and marketing strategies.

The board knew there needed to be incentives for change. Working with the state legislature, the board and state established performance incentives for each campus. Every campus now must report progress annually, and that progress can affect their funding. "We've closed all the exit doors," Savoie says. "Now we have policy alignment throughout the educational community, at all levels, that didn't exist before."

Though the master plan will not be fully implemented until 2005, Savoie reports early progress. "College-prep course selection and grade-point averages are up, ACT scores for first-time freshmen are up, developmental course taking is down, retention is up, graduation rates are up," he says. "We're already getting to where we want to go."

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populations the college or university serves today and those they will serve in the future. It is likely that some institutions who serve their current students quite well may not be prepared for the students who find their way to campus in the future, especially those who require more—not less—support and service. Students rarely bring a cogent map of their future to campus. Many need help managing their educational, financial, career, and life plans and look to the institution to provide the guidance they will need to develop a roadmap to success.

Based on my firm's analysis of attrition data over the past ten years, the most common barriers to success fall into three distinct categories: academic, financial, and commitment. The most frequent academic risk factors include such variables as rank in class, high school attended, and predicted grade-point average. Other issues play an increasingly significant part in students' decisions to continue their education. The necessity of holding a job while attending school and the ability to pay tuition are major factors that discourage students. One of the most overlooked risk factors is the student's commitment to his or her current institution, a finding corroborated by the Pell Institute's recent report "Retaining Minority Students in Higher Education" (May 2002). When the goals of students are incongruent with those of the institution, the students are less likely to persist to graduation. Making sure there are enough courses and extracurricular activities targeted to minorities, for example, is a marketing necessity in today's higher education.

Most of the reasons students give for persisting do not necessarily suggest the need for greater financial outlays; rather, they represent investments in attitudes toward success.

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Investment in student retention may require institutional officials to rethink the current allocation of human and financial resources. Scarce resources will need to be leveraged to meet various needs students will bring to campus. Note, however, that most of the reasons students give

for persisting do not necessarily suggest the need for greater financial outlays; rather, they represent investments in *attitudes* toward success. Faculty and staff mentoring programs, like those at Arkansas Tech and San Diego State universities, have been highly successful in increasing first-year student retention.

Finally, retention is a performance indicator for every campus. It is a measure of how much student growth and learning takes place, how valued and respected students feel on your campus, and how effectively your campus delivers what students expect, need, and want. After all, the main business of the institution is to change people's lives in a way that will produce lifelong benefits.

A Commitment to Access. If some campus constituencies are committed to providing access to a wide range of students, but others remain adamant about adhering to traditional measures of academic quality for entering students—high test scores and top class ranks—the overall result will be little enthusiasm for serving students who are underprepared or at risk. Aspiring to be the most selective of your peer institutions is a worthy goal, but it may not be one that is consistent with serving the fastest growing segments of the college-age population over the next decade.

Sustaining the commitment will involve two recurring challenges. First, keeping your administration, faculty, and staff focused and passionate about the new vision will require constant diligence. Most organizations resist change and protect the status quo, even when employees are not so pleased with the current state of affairs. Leaders cannot allow the campus to be divided on this issue.

Second, serving the next generation of students will require an ongoing financial commitment to student success. As more campuses confront the fiscal realities of a tight economy, there is an increased reliance on cutback management. The pressure for effective budgeting is enormous. Yet budgeting is more than a numbers exercise. It is a reflection of institutional values. Campus decision makers faced with the unpleasant but necessary task of reducing budgets must remain aware that the easiest way—cutting all areas across the board—is often the wrong way. Some things are simply more important than others. Mission-critical strate-

Finding and Keeping Underserved Students

The next generation of students not only will be greater in number but also more diverse than the student bodies of today. Some 80 percent of the coming increase in college-age students will be minorities, a population that historically has been less likely to pursue postsecondary education. Here are some suggestions for boards that hope to ensure their institutions are effective in attracting and serving these underenrolled populations:

- Recognizing the institution's mission, location, and goals, make recruitment of underserved students an integral part of the institution's overall strategic plan and enrollment plan.
- Set realistic and measurable enrollment goals of underserved students based on a thorough review of the marketplace and an understanding of the institution's primary and secondary market.
- Provide on-campus support to these students to help ensure they adjust to campus life and expectations, overcome academic deficiencies, achieve social success, and make progress toward graduation.
- Develop communications strategies (telephone, letter, personal, electronic) in response to the identified needs and interests of specific student groups.
- Track the retention rates of special student groups and know the profile of students who persist toward graduation.

gies and activities must receive adequate and sustained financial commitment, or these strategies will fail. Any commitment to serving the next generation of students will require a strong financial commitment to the vision of success by students from all walks.

What to Build. Just "building it," as the protagonist did a baseball diamond in the movie "Field of Dreams," is no guarantee that "they will come." How each institution meets the needs of the next generation of college students will depend on its unique character, features, history, location, and more. But here are some common denominators:

1. Expanding or contracting capacity. Because the coming population growth will be unevenly distributed, individual colleges and universities will be required to alter their capacity in varying ways. Institutions must find creative and cost-effective ways to increase or decrease capacity. Instead of capping enrollments, many schools likely will need to find ways to grow without the traditional fixed investment in more bricks and mortar. The trend toward hiring more adjunct faculty and part-time staff is likely to continue. Other alternatives requiring minimal incremental cost include the following: flexible schedules that extend the class day from early in the morning to late at night, weekend sessions, branch and satellite campuses that expand the geographic service area, and alternative delivery systems such as distance learning.

2. Distance education. As technology continues to improve and entire curricula appear online, significant numbers of students are likely to seek alternatives to traditional classes offered on site at the institution's convenience. Instead, some students (particularly adults who have family obligations) will choose alternatives that integrate their learning more fully into their busy lives. Whether by offering online courses themselves or partnering with other institutions, local businesses, or community institutions, colleges and universities will need to take the initiative to develop creative alternatives.

3. Developmental and remedial programs. A focus on retention means that many schools will need to make a corresponding shift to help the emerging group of less prepared students succeed academically. Developmental and remedial programs will need to become standard offerings at institutions seeking to serve these students. The University of Minnesota, General College is one of many institutions that have led the way.

4. Strategic partnerships. In some cases, it will make sense for higher education institutions to engage in active partnerships with secondary schools, not simply to recruit but to raise awareness of and appreciation for the benefits of a college education and to help better prepare students for college. For example, the University of Hawaii College of Engineering conducts a robotics competition for middle-school students, a high school summer internship pro-

Campus leaders will need to make difficult decisions to contain costs and reallocate resources. They'll also need to mount aggressive campaigns to raise funds and generate revenue.

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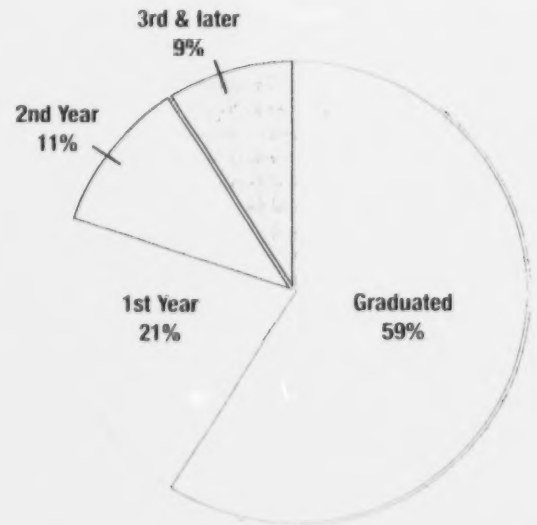
Estimated Dropout and Graduation Rates



Source: Consortium for Student Retention Data Exchange, 2001-02

Your board will need to discuss policies and practices concerning tuition discounting and merit versus need-based aid.

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gram, and other activities aimed at helping students learn about engineering careers.

5. *Funding strategies.* Paying for the sorts of major changes described here poses serious financial and public-policy questions and challenges for even the most experienced boards and campus executives. The costs of preparing and motivating potential college-bound students earlier in their secondary school careers will be significant, as will attracting students to institutions that are committed to serving them and capable of supporting them to graduation. Who pays for all this must be resolved at the national, state, and local levels—and soon. To be sure, your board will need to discuss policies and practices concerning tuition discounting and merit versus need-based aid. In the meantime, campus leaders will need to fund their strategies by making difficult decisions to contain costs and reallocate resources. They'll also need to mount aggressive campaigns to raise funds and generate additional revenue.

Lead or Be Led. Higher education has reached a crossroads where traditions, missions, and public-policy issues are colliding with demographic realities and intractable societal trends.

Case Study

Hendrix College's Rapid Intervention Helps Retain Students

If the college student of tomorrow is likely to require stepped-up services and support, forward-looking liberal arts institutions such as Hendrix College in Conway, Ark., may be especially well positioned.

Although enrollments are steady and average ACT scores hover above the national average at Hendrix, discussions about the potential for soaring student numbers and declining academic preparedness have clearly entered campus conversations, says Joyce Hardin, Hendrix's dean of students and vice president for student affairs.

In the near term, the college has made the transition to a semester calendar and added faculty and classroom space in anticipation of growing numbers of students. "We made a decision to grow from around 1,050 to 1,200 as the bubble comes through," Hardin says.

Hendrix's board is crucial in helping to address these mission-related issues, Hardin adds. "Priorities that are set by the board of trustees become common goals for all groups on campus and provide direction for the future of the institution."

Hendrix also has placed increasing emphasis on encouraging students to complete their degrees. "Like most schools, we have grown more and more conscious of retention rates in the last decade," Hardin says. "Today, few people are left out of the retention effort on campus."

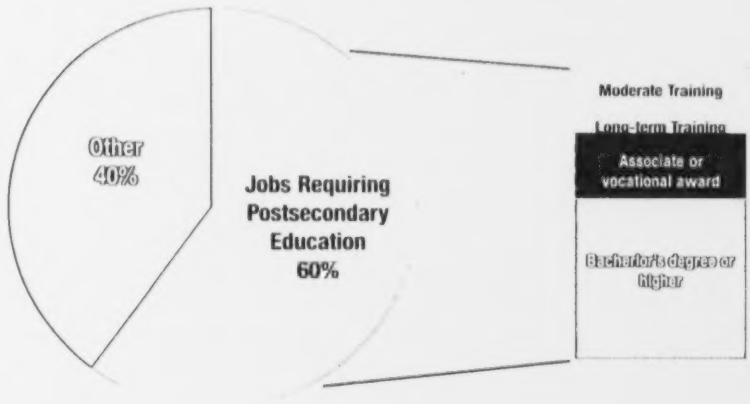
Leading the charge are Hardin and Carole Herrick, the college's associate provost for advising and retention, who work together on initiatives ranging from overhauling a student-success program to creating a new student center. With long service as faculty members, both understand the need to integrate academic affairs and cocurricular life to solve the retention puzzle.

The changing needs and expectations of nearly every constituency—the general public, business and industry, and government—require every higher education leader to respond thoughtfully and decisively.

The challenge is to "lead or be led" by societal forces in today's sea of changing conditions. In these roiling waters, most institutions would be ill-advised to hold the tiller steady in hopes of riding out the storm. Rather, boards and institutional leaders must anticipate the choices they will face, plan accordingly, and exhibit the flexibility to respond effectively.

For future students, the reward will be a college or university that focuses on their academic and social success. For institutions, the return is a vigorous and secure future—and the satisfaction of preparing this very different next generation for success. ✧

Projected Job Growth (2000-2020) by Required Education



Source: Bureau of Labor Statistics, 2001

This partnership is key, says Hardin. "The way to maximize success is to give students the idea that you can have fun when you learn and that it's okay to be serious outside the classroom."

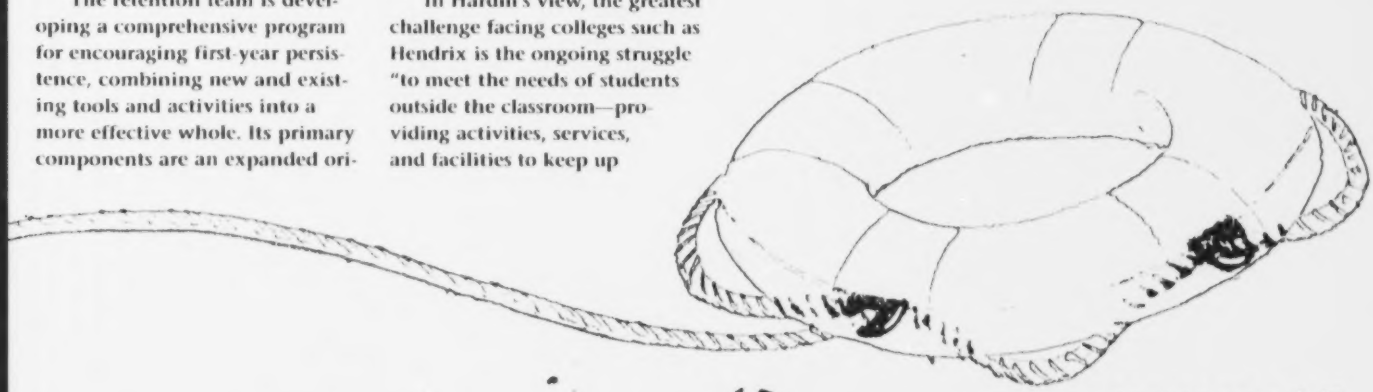
Hendrix has created a dedicated group of advisers for new students. It also formed what is known as the Student Outreach Network, consisting of staff members from various academic and student-affairs offices. "We act as a clearinghouse to assist in whatever ways may be needed if a student is struggling," Hardin says.

The retention team is developing a comprehensive program for encouraging first-year persistence, combining new and existing tools and activities into a more effective whole. Its primary components are an expanded orientation program, the introduction of learning communities of new students who will share common courses and experiences, and a new first-year-experience seminar that will focus on college life and expectations.

Hendrix also hired a director of multiculturalism and diversity. This official already has had a tremendous effect on minority recruitment and retention, says Hardin, and has created a more supportive environment for minorities and increased campus appreciation of diverse cultures.

In Hardin's view, the greatest challenge facing colleges such as Hendrix is the ongoing struggle "to meet the needs of students outside the classroom—providing activities, services, and facilities to keep up with our competition, while keeping our tuition affordable." Expenses are a growing burden for both colleges and students, she points out.

Nevertheless, Hardin remains confident in the ability of institutions like Hendrix to respond effectively to the needs of the next generation. "We're good about reacting to individual situations," she says. At Hendrix, "information flows quickly from a struggling student to someone who can help."



Financial-Aid Strategies For Meeting Enrollment Objectives

Most colleges and universities have recognized the importance of allocating student financial aid as strategically as possible. The idea is to enroll the greatest number of students while maximizing net tuition revenue and meeting numerical and "shaping" enrollment objectives. The effective distribution of limited financial-aid resources will be even more critical in serving the next generation of students as college costs continue to rise, and fewer students are able to pay.

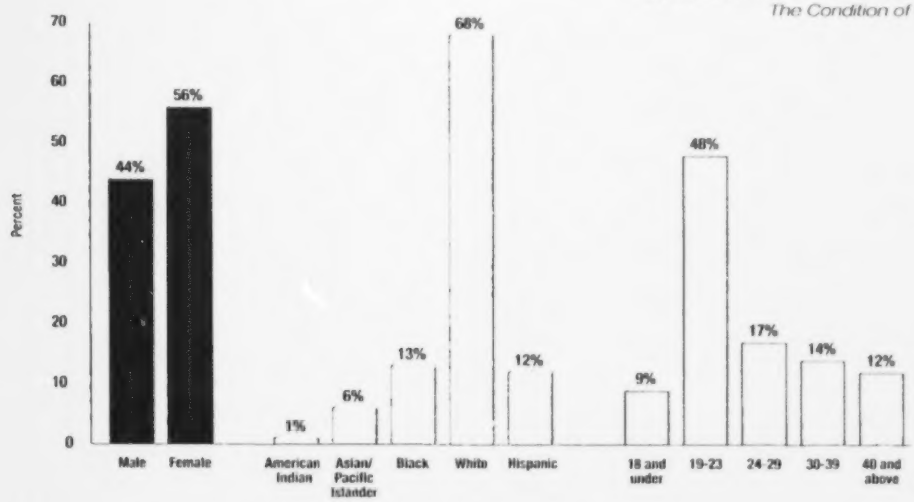
Understanding the price-sensitivity of the marketplace and assessing the institution's ability to meet the financial need of current and future students will become increasingly important. Institutional officials will need to know the precise cost of attracting and retaining new and selected populations, and they will have to find ways of maximizing limited student-aid dollars to provide continuing opportunities for the next generation.

One effective strategy involves a dynamic analysis of price sensitivity based on a review of recently enrolled and nonenrolled students with regular updates throughout the awarding cycle. Setting specific enrollment goals early in the process, projecting the enrollment and financial impact of attaining these goals, and targeting the investment of institutional financial-aid funds to achieve the goals help ensure that the institution is investing its resources effectively to achieve predictable enrollment results. It is also essential to track the composition of the incoming class as it develops to ensure that the assumptions made in goal-setting are coming to fruition. If the incoming class has better or worse credentials, is more or less needy than anticipated, or if the mix between subpopulations is substantially changed, it is important to know this immediately so that policies can be modified if necessary. If a policy change is neccessary, it must be made very quickly. Therefore, decisions regarding possible alternatives and contingencies should be made as part of the initial goal-setting so there is no delay if a change becomes necessary.

This financial-aid impact research, which is being conducted by public and private institutions alike, is enabling institutions to maximize available dollars from all sources—federal, state, and institutional. Through long-term modeling scenarios, colleges and universities can be assured that the policies and practices implemented today will be sustainable over the long term and will achieve specific enrollment and net-revenue goals.

These were the characteristics of the nation's undergraduates in 1999-2000. How will changing demographics affect your institution's enrollment?

Source: National Center for Education Statistics, *The Condition of Education 2003*



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AGB Priorities Number 21, Spring 2003

Priorities is published as an AGB membership service to help trustees and chief executives identify and address strategic policy issues. It is published three times a year by the Association of Governing Boards of Universities and Colleges, One Dupont Circle, Suite 400, Washington, D.C. 20036. Telephone: 202/296-8400. Fax: 202/223-7053. Web: *www.agb.org*. All board members and the chief executive and other administrative officers of AGB-member institutions receive *Priorities*. Additional copies are available exclusively to individuals at AGB-member institutions for $10 per copy. Please call for bulk discounts. Opinions expressed are those of the authors and not necessarily of AGB.

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THIS ISSUE

ENROLLING THE 21ST CENTURY STUDENT BODY

BY CHARLES S. CLARK

It has become almost a cliché to note that today's campus is "not your father's university." The demographic revolution—foreseen decades ago—that has now traversed the gates of higher education is bringing us a dramatically altered student population.

In the decade that began in 1999, the nation's high school graduating population is expected to grow by more than 10 percent. Ethnic minorities will represent 80 percent of the increase in college-age students between 1995 and 2015, and 45 percent of them will come from families in the lower rungs of the income ladder.

Couple this new student body with the increasing importance of a college degree to the average American's hopes of earning a comfortable living—individuals who hold at least a bachelor's degree earn a median household income double that of high school graduates—and you get a sense of the urgency confronting higher education leaders today.

To lay out both the changing nature and increased needs of the emerging student body and relate these to the responsibilities of boards of trustees, AGB commissioned one of the top consulting firms serving higher education to prepare this issue of *Priorities*. Noel-Levitz has pursued enrollment management strategies with more than 1,600 universities and colleges throughout North America, working closely with presidents, administrators, and boards.

The firm's most recent president, Thomas Williams, observes that the dynamism of today's higher education market requires institutions and their boards to abandon traditionally static enrollment management techniques and become nimble enough to react to accelerating change. That means aggressively seeking out new student-recruitment pools and strategies, establishing active campus programs to improve student retention and persistence (the old "sink or swim" approach is long gone), and in some cases, revising the institutional mission.

Board members need to understand these trends to fulfill their responsibilities for ensuring their institution's long-term health and higher education's obligations to provide an educated citizenry and workforce. Specifically, that means active input from the academic affairs committee, the student affairs committee, and most important, the finance committee, which has central responsibility for planning, resource allocation, and budget-implementation strategy.

Strategic enrollment management requires that boards, working through their presidents and administrators, probe at the deepest level to where an institution's strengths and goals will intersect with broader societal trends, needs, and goals.

None of us watching today's scene can know which institutions ultimately will fare best at responding to this revolutionary change, as measured either in the health of a given college or university or by its contribution to American higher education at large. What we do know is that trustees can play a vital role in turning this environment of unprecedented change into a climate that offers fruitful opportunities.

—Charles S. Clark is an AGB senior editor.

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